

CHAPTER NO. 144

HOUSE BILL NO. 3266

By Representative Casada

Substituted for: Senate Bill No. 3217

By Senator Blackburn

AN ACT to amend Chapter 563 of the Private Acts of 1949; and any other acts amendatory thereto, to authorize the Franklin Special School District, Williamson County, Tennessee to issue and sell school bonds and notes in an aggregate principal amount of not to exceed three million dollars (\$3,000,000); to provide the form and terms of the bonds and notes; to authorize the refinancing of the bonds and notes; to establish and provide for the payment of the bonds and notes; to levy a tax for the payment of the principal of, interest and redemption premium, if any, on such bonds and notes; to provide for the issuance and sale of such bonds and notes and the use and disposition of proceeds therefrom; and to authorize the issuance of notes in anticipation of the issuance and sale of bonds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The Franklin Special School District, located in Williamson County, Tennessee (the "district"), created by Chapter 563 of the Private Acts of 1949, as amended (collectively with all amendatory acts, the "Act of Incorporation") is hereby authorized and empowered to issue and sell, by resolution of its board of education, bonds and/or notes in the collective aggregate principal amount of not to exceed three million dollars (\$3,000,000) for the purpose of providing funds for:

(1) The construction, improvement, renovation, expansion, furnishing, fixturing, and equipping of school buildings and facilities, and additions thereto, in and for the district, including the purchase of all property, real and personal, or interests therein, necessary in connection with said work;

(2) The funding of all accounts and funds necessary and proper in connection with the issuance and sale of the bonds and notes as the board of education shall determine;

(3) The payment of interest on the bonds and notes during the period of construction and for six (6) months thereafter; and

(4) The payment of all legal, fiscal, administrative, architectural, engineering, accounting and similar professional and other costs incident thereto and to the issuance and sale of the bonds and notes.

SECTION 2. The bonds and notes may be sold at public or private sale in one or more series, may bear such date or dates, shall mature at such time or times, not exceeding twenty-five (25) years from their respective dated dates with respect to any series of bonds and twelve (12) years with respect to any series of notes, may bear interest at a zero (0) rate or at such rate or rates not to exceed six and one-half percent (6.5%) per annum (which may vary from time to time), may be payable at such time or times, may be in such denominations, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment at such place or places, may be subject to such terms of redemption, with or without premium, and may provide for the replacement of mutilated, destroyed, or lost

bonds and notes, all as may be provided by resolution of the district's board of education. The bonds and notes shall be sold as a whole or in part from time to time in such manner as shall be provided by resolution of the district's board of education, but in no event shall the bonds and notes be sold for less than ninety-eight percent (98%) of par plus accrued interest (or, if all or any part of such bonds and notes is to be sold at a zero (0) rate of interest or at an original issue discount, such bonds and notes may be sold at not less than ninety-eight percent (98%) of the original reoffering price of such bonds and notes, plus accrued interest). The board of education of the district is authorized and empowered to do and perform all acts and enter into agreements which may be necessary or desirable in connection with the issuance and sale of the bonds and notes and to delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the board shall deem necessary or desirable.

SECTION 3. The bonds, notes, refunding bonds and bond anticipation notes shall be issued in fully registered form and shall be signed and sealed as provided in the Tennessee Public Obligations Registration Act and in the resolution adopted by the district's board of education authorizing the bonds, notes, refunding bonds or bond anticipation notes.

SECTION 4. For the purpose of paying principal of and interest and redemption premiums on the bonds, notes, refunding bonds, and bond anticipation notes herein authorized, and any other indebtedness of the district, there is hereby levied, in addition to any tax currently being levied within the boundaries of the district for the benefit of the district, a continuing annual property tax to take effect for the 2002 tax year and each year thereafter, of one cent (\$0.01) per one hundred dollars (\$100) of taxable value of taxable property located within the district for bonds, notes, refunding bonds, and bond anticipation notes authorized herein issued in the aggregate principal amount of one million five hundred thousand dollars (\$1,500,000) or less and of two cents (\$0.02) per one hundred dollars (\$100) of taxable value of taxable property located within the district for bonds, notes, refunding bonds, and bond anticipation notes authorized herein issued in the aggregate principal amount of greater than one million five hundred thousand dollars (\$1,500,000) and less than or equal to three million dollars (\$3,000,000). The rate established herein may be adjusted from time to time in accordance with the procedure set forth in Tennessee Code Annotated, Section 67-5-1704, relating to county-wide reappraisal. These taxes shall be used exclusively to pay principal of and interest on the bonds, notes, refunding bonds, and bond anticipation notes authorized herein and any other indebtedness of the district as they come due and to maintain debt service fund balances. The board is hereby authorized to pledge such taxes and pay the principal of and interest and any redemption premiums on the bonds, notes, refunding bonds, and bond anticipation notes and any other indebtedness of the district. The taxes shall be annually extended and collected by the County Trustee of Williamson County in the manner provided by general law for the extension and collection of county taxes and shall constitute a lien on the property against which they are levied with the like force and effect as do county taxes. The proceeds of these taxes, as and when collected, shall be paid by the county trustee to the district. The proceeds of these taxes, when received by the district, shall be deposited to a debt service fund to be established and maintained by the district. The debt service fund is established for the specific purpose of receiving the taxes authorized herein and any other funds which may from time to time be pledged to the payment of indebtedness of the district. The debt service fund and the funds therein shall be maintained and accounted for until payment in full of all outstanding obligations of the district and shall be used for the purpose of paying principal of and premium, if any, and interest on the bonds, notes, refunding bonds, and bond anticipation notes and any other indebtedness of the district. In the event property taxes and such other funds as shall be pledged to the payment of the indebtedness of the district are not sufficient to pay principal thereof and interest thereon when due, the district shall apply funds from operations or other available funds of the district to the payment thereof. So much of the

surplus arising from the tax hereinabove described and not required for the payment of debt service on outstanding obligations of the district may be used, at the discretion of the board, for the construction, improvement, renovation, expansion, furnishing, fixturing and equipping of school buildings and facilities, and additions thereto, in and for the district, including the purchase of all property, real and personal, or interests therein, necessary in connection with such work.

SECTION 5. The board of education is authorized, but not required, to pledge to the payment of the bonds and notes all or a portion of:

(1) Any funds received by the district under the Tennessee Basic Education Program available to be used for capital outlay expenditures as set forth in Tennessee Code Annotated, Title 49, Chapter 3, Part 3, and related sections;

(2) Its share of the Local Option Sales and Use Tax now and hereafter levied and collected in Williamson County, pursuant to Tennessee Code Annotated, Section 67-6-712; and

(3) Any other funds received from the state of Tennessee, or any of its authorities, agencies or instrumentalities, for school purposes and available to be used for capital outlay expenditures.

SECTION 6. The bonds, notes, refunding bonds, and bond anticipation notes, and all income therefrom, shall be exempt from all state, county and municipal taxation in the state of Tennessee, except inheritance, transfer and estate taxes and except as otherwise provided by applicable law.

SECTION 7. The district is further authorized, by resolution of the board of education, to borrow money and issue its bonds and notes for the purpose of refunding at or prior to maturity, in whole or in part, at any time, in accordance with the terms hereof, the bonds and notes authorized herein and the refunding bonds and refunding notes authorized herein, in an amount not exceeding the outstanding principal amount of the outstanding bonds and notes being refunded, premium thereon, interest on such refunded bonds or refunded notes to maturity or earlier redemption and costs of issuance, including discount, if any. The board shall have the power to provide for the custody, application and investment of the proceeds of the refunding bonds and refunding notes pending retirement of the refunded bonds and refunded notes.

SECTION 8. The district is further authorized, by resolution of the board of education, to issue and sell bond anticipation notes of the district in anticipation of the issuance of the bonds authorized herein. The bond anticipation notes may be sold in one (1) or more series, may bear such date or dates, shall mature at such time or times, not exceeding three (3) years from their respective dated dates and may be extended or renewed for not more than one additional period of three (3) years, may bear interest at such rate or rates not to exceed six and one-half percent (6.5%) per annum (which may vary from time to time), may be payable at such time or times, may be in such denominations, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment at such place or places, may be subject to such terms of redemption, with or without premium, and may provide for the replacement of mutilated, destroyed or lost bond anticipation notes, all as may be provided by resolution of the board. The bond anticipation notes shall be sold as a whole or in part from time to time at public or private sale in such manner as shall be provided by resolution of the board but in no event shall the bond anticipation notes be sold for less than ninety-nine percent (99%) of par plus accrued interest. Unless paid for out of the funds identified in Section 4 and/or 5 hereof, when the district receives the proceeds

from the sale of the bonds in anticipation of which the bond anticipation notes were issued, a sufficient portion of proceeds shall be used to pay the principal of such bond anticipation notes and may be used to pay the interest thereon. The board is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the bond anticipation notes and delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the board shall deem necessary or desirable.

SECTION 9. No election shall be necessary for the authorization of the obligations authorized hereunder, and the provisions of Section 9 of Chapter 563 of the Private Acts of 1949, as amended, shall not be applicable to the bonds, notes, refunding bonds, and bond anticipation notes issued hereunder.

SECTION 10. If any provision of this act or the application thereof shall be held by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this act and the application of such provisions shall not be affected thereby, shall be enforced to the greatest extent permitted by law, and are declared to be severable.

SECTION 11. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 1, 2002


JIMMY RAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this day of 2002

DON SUNDQUIST, GOVERNOR

Pursuant to Article III, Section 18, of the Constitution of the State of Tennessee, the Governor had House Bill No. 3266 in his possession longer than ten (10) days, so therefore the bill becomes law without the Governor's signature.